AFL WEEKLY NEWS SERVICE

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# United Labor Committee Calls in Regional Officials To Rouse Grass Roots to Wage-Price Freeze Hoax

## *Cost of Living Shoots to New Peak Under 'Fake' Price Order*

Washington. — The price rise has become a stampede.

The U. S. Department of Labor reported that all items in the cost of living rose 3.2 points—or 1.5 percent —between Dec. 15 and Jan. 15.

Prices last Jan. 15—13 days before the so-called "price freeze"—were 7.9 percent above the same period a year ago.

Undaunted, Price Stabilization Director Michael V. DiSalle approved a 3¼ percent increase in prices for automobile manufacturers.

Food prices, which are uncontrolled, rose 2 percent more between Jan. 15 and Feb. 15.

The increase in cost of living has been so rapid that millions of workers have been forced to cut living standards and are still unable to make ends meet.

Two further factors in the piecemeal botched-up Defense Mobilization program being carried out by big business under Defense Mobilization Czar Charles E. Wilson and Economic Stabilizer Eric Johnston compound the difficulties. These are:

1. Wages are frozen tight and Mr. Johnston is making decisions on the basis of expediency to take care of big business friends like Mr. Wilson's own General Electric Co.

2. Mr. Wilson's failures in over-all direction of the setup threatens to throw thousands of workers temporarily out of employment—with little or no income at all to meet the rising prices. Because of the lack of planning so that defense orders are ready to go when the production of civilian goods ends under the materials cutback plans, many plants will be forced to shut down.

The Labor Department reported that its new adjusted Consumers' Price Index stood at 181.5 on Jan. 15, a new record high for this index.

Between Dec. 15 and Jan. 15, the department said prices of food rose 2.6 percent, housefurnishings 2.1 percent, apparel 1.5 percent, fuels 0.4 percent, rent 0.2 percent, miscellaneous goods and services 0.9 percent.

And all of these items are due to go up under the profit margin markup retail price order issued Feb. 28 by Mr. DiSalle.

The United Labor Policy Committee called this order "legalized robbery" and the whole price control program under the Defense Production Act of 1950 "a cynical hoax on the American people."

The committee has called for recommendations to Congress that the act be amended to provide genuine price controls, but no action has been taken by President Truman, Mr. Wilson or any other official with power to make such recommendations.

## NAMED IN P. R.

San Juan, Puerto Rico.—Gov. Luis Munoz Marin has appointed Francisco Paz Granela as a member of the Consulting Committee of the Office of Civil Defense of Puerto Rico, jointly with other representative citizens and members of his cabinet.

Mr. Francisco Paz Granela is vice president of the Puerto Rico Free Federation of Workingmen, state branch of the American Federation of Labor.

## URGE BUY BONDS

Washington.—AFL President William Green and George E. Leighty, president Railway Labor Executives Association, expressed continuing AFL support for the purchase of U. S. Savings Bonds.

Both issued statements on behalf of the Buy Bonds drive on the first anniversary of "Labor Speaks," the weekly program carried on radio station WWDC featuring labor union and U. S. Treasury speakers.

# *Pre-Jan. 25 Escalators Okay*

Washington. — Economic Stabilization Director Eric Johnston has approved cost-of-living escalators in contracts signed prior to Jan. 25 irrespective of whether they exceed the 10 percent ceiling set in a previous order.

Instead of a policy based on principles, wages are frozen or changed according to expediency and to take care of Mr. Johnston's big business friends.

Approval of pre-Jan. 25 escalators enabled General Motors Corp. and General Electric Co., which is Defense Mobilization Czar Charles E. Wilson's company, to live up to agreements they made with their workers. And other firm which made similar agreements.

Then, in a move which virtually assures the big meat packers that they won't have any trouble from their workers, Mr. Johnston created a special panel to determine how he can approve the 9 cents an hour pay boost negotiated between the packing companies, the AFL Meat Cutters and Butcher Workmen and CIO United Packinghouse Workers.

Another contract facing him for approval is the 12½ cents an hour boost plus cost-of-living adjustment negotiated by 1,000,000 workers in the 15 nonoperating railroad brotherhoods and the nation's railroads. This one was negotiated in the White House and both parties were congratulated by President Truman.

But all other workers must abide by the narrow rules so far promulgated. Except in the coal industry.

There the Wage Stabilization Board and Mr. Johnston performed almost unbelievable gyrations to approve a contract which they said existed on a date even before it was signed.

# *With These Profits Why a Price Rise?*

New York.—General Motors Corp. reported 1950 net earnings of $834,044,039 on a business volume of $7,531,086,846, the greatest net profits and sales ever recorded by a private concern.

The rest of the automobile industry is expected to show comparable profits.

Yet the Office of Price Stabilization granted auto manufacturers only a week previous another 3¼ percent increase in prices with the promise of more to come.

The U. S. Government, under its "legalized robbery" price stabilization program, is guaranteeing these huge profits of big business and the corner store retailer while freezing workers' wages so tight they are hopelessly lost in the fight to meet the cost of living.

Only the low-income worker is bearing the brunt of high prices, excessive profits, higher and higher taxes, loose rent controls and unemployment caused by the mismanagement of Defense Mobilization Czar Charles E. Wilson.

Corporation profits in 1950 were 32 percent over 1949, according to the National City Bank. Totals were $7.9 billion after taxes against $6 billion in 1949, according to a tabulation by the bank of 2,213 corporation reports.

# Radio Carries to U. S. Labor Fight Against Mobilization Failures

Washington. — Many radio broadcasts helped to carry united labor's fight against the failures of the Defense Mobilization Program to the people of the United States.

"The plain people of this country are being made the victims of a so-called stabilization policy dictated by the big business executives who are running the defense mobilization program," AFL Secretary-Treasurer George Meany said in an interview on Commentator Edward Murrow's program over Columbia Broadcasting System.

"There is no one in the defense setup to protect the interests of the millions of Americans who work for wages and salaries," Mr. Meany said. "Labor tried to get a voice in the determination of policy, but our representatives were being used merely as window dressing, so they walked out in protest.

"We are taking our case to the American people who are being wronged. We are determined to lead their fight for justice and fair play for the basic principle of equality of sacrifice in the defense program."

Readers are urged to listen to programs featuring labor leaders.

Other scheduled broadcasts included:

March 7—Thomas C. Carroll, president AFL Brotherhood of Maintenance of Way Employes, 10:45 p.m., EST., American Broadcasting Co.

March 8—Mr. Meany, "Reporters Roundup," 9:30 p.m. EST, Mutual Broadcasting System.

March 8—AFL President William Green, 10:45 p.m. EST, Columbia Broadcasting System.

March 9—AFL President William Green, 10:45 p.m. EST, Columbia Broadcasting System.

March 11—CIO Vice President Walter Reuther, "Meet the Press," television, 4 p.m. EST, National Broadcasting Co.-TV.

March 11—Emil Rieve, CIO vice president, Peoples' Platform, radio, 12 noon, EST., Columbia Broadcasting System.

March 13—Machinists President Al J. Hayes, "Town Hall of the Air," 9 p.m. EST, American Broadcasting Co.

March 18—Mr. Hayes, Peoples' Platform, TV, 5:30 p.m., EST., Columbia Broadcasting System.

CIO President Philip Murray spoke over National Broadcasting Co. March 5 and Secretary-Treasurer James B. Carey over Mutual Broadcasting System on March 6.

Frank Edwards, AFL commentator, covered the daily developments Monday through Friday on the Mutual network coast-to-coast at 10 p.m. EST.

# Catholic Writer Backs United Labor In Defense Fight

Washington.—The Rev. George G. Higgins, assistant director Social Action Department of the National Catholic Welfare Conference, said that the United Labor Policy Committee "is doing all of us a great service in insisting upon the 'right to an equal voice' in the administration of Defense Mobilization Czar Charles E. Wilson.

Commenting on United Labor's position that Big Business is running the National Defense Mobilization to the detriment of all the people, the Rev. Higgins said in his weekly column:

"In terms of the present controversy in Washington it (Labor) is merely asking for the 'right to have a say'—the 'right to an equal voice'—in the mobilization program which is being administered at the top level by Charles E. Wilson, former president of General Electric.

"So far,' said the official spokesman for American labor on February 16 'virtually the entire defense mobilization program has been entrusted to the hands of a few men recruited from big business who believe they have a monopoly on experience, good ideas and patriotism.' The Wall Street Journal replied, in effect, that labor is trying to run the show and shouldn't be allowed to get away with it.

"More moderate observers have concluded, however, that labor is perfectly justified in asking for the 'right to have a say.' We orselves would go so far as to maintain that American labor is far from being out of order in making such a reasonable demand, is doing all of us a great service in insisting upon the 'right to an equal voice' in Mr. Wilson's administration.

"It is doing us the inestimable service of safeguarding certain basic democratic values in a far-reaching governmental program which otherwise could very easily — and even innocently — become a top-heavy and rather arbitrary bureaucracy.

"Mr. Wilson and his top assistants —chosen for the most part from the ranks of big business—are undoubtedly very competent and very honest. But not even the Archangel Gabriel ought to be delegated to administer the defense mobilization program on his own, as it were, without the fullest possible assistance—and surveillance —of organized labor, management and agriculture.

"Philip Murray and William Green, as the Wall Street Journal will most certainly agree, wouldn't be qualified to administer the program on their own without the cooperation of business and agriculture. By the same token, therefore, Mr. Wilson is not qualified to go it alone without the participation of labor, on a basis of full equality with Big Business, in the administration of the program."

## *Meetings Mar. 20-21 to Map Community Fight Against High Prices*

Washington. — United labor launched a nation-wide campaign to mobilize mass protests against the rocking being given to American consumers by the big business interests dominating the defense program.

First step in the campaign will be conferences in Washington of state and local representatives called for March 20 by the AFL, the CIO, the Railway organizations and the Machinists.

On the following day, all of these local and state officials will hold a joint indignation meeting—the first combined rally of grass-roots labor leaders in many years.

Purpose of the meetings is to organize community action against phony price controls, against unfair tax laws, against inaction on rent controls and against failure to permit democratic representation on all defense agencies.

AFL President William Green will extend the call to officials of state federations of labor and central labor unions.

"No one is looking out for the interests of the consumer in this situation and we proposed to take the leadership," the committee said.

Members of the committee, representing 15 million workers in the AFL, CIO, Railroad Brotherhoods and International Association of Machinists, will bring the regional officials up to date on all details of labor's fight with Defense Mobilization Czar Charles E. Wilson and his failures to carry out an adequate program.

The state and local leaders will be asked to return to their home communities with this information and tell the story to civic clubs, women's organizations, churches, small business and other groups.

The United Labor Policy Committee, which approved the conferences, has withdrawn all representatives of its unions from the Wage Stabilization Board and other defense mobilization agencies to dramatize the botched job being done on and against the American people by the big business executives who have been selected to run the program exclusively.

The committee handed to President Truman its complete list of grievances which included:

(1) The failure to freeze prices; (2) the unfair and unworkable absolute freeze on wages; (3) the failure to request Congress to strengthen the Defense Production Act; (4) the failure to extend and strengthen rent controls; (5) the failure of the administration to propose a tax program that would shift the load from the low income groups; (6) the failure to provide help for small business; (7) the failure to prevent Mr. Wilson from grabbing control over all manpower; (8) the failure to give labor adequate and equal voice in the mobilization program.

### SET CONVENTION DATE

Baltimore, Md.—President Harry Cohen announced that the Maryland State and District of Columbia Federation of Labor convention will be held in Baltimore, opening May 21.

### UNION SHOW TO HAVE WCFL BROADCASTS

Chicago. — Radio station WCFL, owned and operated by Chicago Federation of Labor, will install complete broadcasting equipment in its large display area at the AFL Union Industries Show, May 18-26.

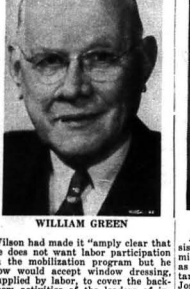
News broadcasts, disc jockey shows and personal interviews will be conducted on the spot during every hour of labor-managements' popular exhibition.

# Labor Members Submit Resignations From Mobilization 'Advisory' Posts

Washington. — Resignations of 24 union members from various "advisory" positions in the Defense Mobilization setup were submitted pursuant to the decision of the United Labor Policy Committee to withdraw from these sham posts.

The committee said (Feb. 28) that Defense Mobilization Czar Charles E. Railway Labor Executives Secretary-Treasurer A. E. Lyon.

Advisory Committee to Defense Production Administration and Secretary of Commerce—Mr. Green, AFL Vice President George M. Harrison, president Brotherhood of Railway Clerks; Mr. Tracy, Mr. Carey, Mr. Reuther, Mr. Leighty.



WILLIAM GREEN

GEORGE M. HARRISON

Wilson had made it "amply clear that he does not want labor participation in the mobilization program but he now would accept window dressing, supplied by labor, to cover the backroom activities of the leaders of industry who staff ODM."

"He will get no such window dressing from the men and women of American labor," the committee said.

Following is the list of those who resigned:

Labor Advisory Committee to Office of Defense Mobilization—AFL Presi-

Also Mr. Harrison as special assistant to Economic Stabilization Administrator Eric Johnston; Mr. Hayes as special assistant to Deputy Secretary of Defense Anna Rosenberg, and Joseph D. Keenan, secretary-treasurer AFL Building Trades Department, and Ted Silvey, CIO, as consultants to Defense Production Administrator William H. Harrison.

GEORGE MEANY

DANIEL W. TRACY

dent William Green, AFL Secretary-Treasurer George Meany, CIO President Philip Murray, CIO Secretary-Treasurer James B. Carey, Railway Labor Executives Chairman George E. Leighty.

Advisory Committee to Economic Stabilization Agency—Mr. Green, Mr. Murray, Machinists President Al J. Hayes.

Labor Management Advisory Committee to Office of Defense Manpower, Department of Labor—Mr. Green, Mr. Murray, Mr. Hayes; AFL Vice President Daniel W. Tracy, president International Brotherhood of Electrical Workers; Jacob Potofsky, president CIO Amalgamated Clothing Workers;

GEORGE E. LEIGHTY

In the case of the "advisory" committee to William H. Harrison, the committee never even held a meeting to be asked for advice on any of the hundreds of curtailment orders issued by that division which may throw more thousands of workers temporarily out of jobs during the shift from civilian to defense production.

In the case of all the other committees and positions, labor's advice was asked sometimes and then completely ignored.

## TWO APPOINTED

Washington. — The U. S. Department of Labor appointed Edward E. Gosben, member of the AFL International Typographical Union, to be deputy director of the Bureau of Apprenticeship and Maurice (Moose) Hanson, member AFL Plumbers Union, to be chief of field operations.

AFL officials said both are staunch union members and will add much to the bureau in their new promotions.

Mr. Goshen joined the bureau in its early days after active participation in the Colorado labor movement in Denver and Mr. Hanson, from Madison, Wis., was one of the first field representatives in apprenticeship.

### BLASTS STATE DEPARTMENT

San Francisco. — Ernesto Galarza, vice president AFL National Farm Labor Union, who recently returned from the Mexican labor importation negotiations in Mexico City, charged that the U. S. State Department and corporate farming interests are engaged in a concerted move to lower substandard conditions of American farm workers and to filch the American taxpayers of new millions of dollars.

# *Johnston Sets Wage Limits*

Washington.—Following is text of a Feb. 27 letter from Economic Stabilization Director Eric Johnston to Wage Stabilization Board Chairman Cyrus S. Ching ordering into effect Wage Regulation No. 6 which Mr. Ching and fellow public and industry members shackled onto the nation's workers:

I have today approved Regulation No. 6 as the next step in working out a wage stabilization policy.

Wages and salaries were frozen last Jan. 25, at a time when the pay of large numbers of employes had lagged behind the general wage trend and rising living costs.

Regulation No. 6 provides opportunity for adjustments of wage and salary inequities arising through increases in the cost of living. It would allow increases up to 10 percent above the level of Jan. 15, 1950, without further approval of the board.

The regulation is a necessary step in evolving a fair wage policy as an essential part of a stabilization program to check the inflationary spiral.

Because of the requirements of defense, we are as a nation shifting into a partially regulated economy. This process brings to the fore a great diversity and variety of wage situations.

For example, labor contracts granting employes pay increases have been signed by the unions in different industries at various times throughout the past year. Other procedures for establishing wages and salaries also have differed in their timing. Thus, a wage and salary freeze at any particular time inevitably develops special problems because of the different contract expiration or reopening dates, and of other established practices of handling wage and salary problems.

Our difficulties are made self-evident by the complexities of our economy and by our traditional hostility to controls of any kind. We can't hope to go on doing things in the usual way. Each of us must give up something. Each of us must practice self-discipline and self-restraint. That is the only way we can halt the inflationary disease eating at our economic vitals.

Certainly we can't stabilize the economy if different segments race for advantage, and first one and then another shoots ahead of the rest. Our job in this agency is to see that the burden is shared as equitably as possible on the principle of equality of sacrifice.

It is obvious that wage problems are too numerous and too different to try to cover with the blanket of one formula, or 2, or 6. A step-by-step approach that recognizes these complexities is the better and fairer way to develop equitable and workable wage standards in balance with the whole objective of economic stabilization.

Regulation No. 6 squares with this policy. The board by this regulation did not intend, I know, to provide a single formula that would embrace all aspects of a complete wage policy and correct all inequities in the country's wage structure.

There are additional wage problems that require the board's early attention, study and action. I have specific suggestions to make to the board on some of these matters in developing, step by step, a sound wage policy.

(1)

ESCALATOR CLAUSES. Some collective bargaining contracts take existence on Jan. 25—the effective date of the first price and wage control regulations—contain provisions for subsequent changes in wages. The changes in wages depend on the changes—up or down—in the cost of living. Wage adjustments called for within the next few months by these escalator clauses will be upward because the cost of living has been rising since Korea.

For the most part, the increases permitted by the escalator clauses will be covered by the 10 percent allowable rise in Regulation No. 6. However, such clauses in a few of the existing contracts will, I am informed, provide in the near future for increases somewhat exceeding the allowable figure. Regulation No. 6 makes no provision for such cases.

I feel that provisions of this character in existing contracts should be allowed to operate until June 30, 1951. This will give needed opportunity to study their place in the over-all stabilization program.

The board is requested, therefore, to prepare the necessary regulations to carry out this policy.

(2)

PRODUCTIVITY. Some collective bargaining contracts in existence on Jan. 25 also contain provisions for annual wage increases in recognition of increased productivity.

It would be especially helpful to the stabilization effort if arrangements could be made in the plant for payment of productivity increases through a mutually acceptable form of deferred-payment plan instead of in cash.

I request the board to prepare suitable regulations to authorize productivity incentive payments through June 30, 1951, where they are provided for in contracts in existence on last Jan. 25.

(3)

FRINGE BENEFITS. Under Regulation No. 6, health, welfare and pension plans, as well as other fringe benefits, which have been agreed to in the past, are not counted as part of the allowable 10 percent increase, but fringe benefits agreed upon in the future must be offset against the 10 percent.

Health, welfare and pension benefits in general do not constitute payments which in fact compensate for increases in the cost of living. Nor do they add to the purchasing power of workers and thus to inflationary pressures.

Such benefits are a form of saving and to that degree are noninflationary. Furthermore, it is difficult to evaluate the cost of these plans accurately in terms of dollars and cents. Such an attempt would only result in confusion.

For these reasons, I request the board to prepare regulations that, within approved limits, would exclude health, welfare and pension plans from the adjustments permissible under the 10 percent allowance. The board should then set up standards under which it would consider the approval of such plans as may be submitted to it.

There are other major fringe benefits for which patterns have already been generally accepted in industry. I request the board to study these fringe benefits and recommend to me how they can best be dealt with in the light of ever-all stabilization objectives.

(4)

HARDSHIPS AND INEQUITIES. I request the board to draft regulations providing for the adjustment of hardships and inequities, as contemplated in the Defense Production Act. Problems of these types should be handled by the board on a case-by-case basis.

(5)

NEW PLANTS. Severe hardships are being imposed because no provision has yet been developed covering wage schedules in new plants, many of which are engaged in defense work. I understand you are prepared to move quickly on this matter.

(6)

EXEMPT INDUSTRIES. The application of wage stabilization procedures to industries exempted from price controls by the Defense Production Act warrants early consideration by the board. It is my understanding that hearings could be held on this subject at an early date.

(7)

TANDEM WAGE ADJUSTMENTS. My attention has been called to a number of situations in which the freeze order of Jan. 25 interrupted the completion of wage adjustment programs which had been started within certain related groups of wage and salary employes. I have in mind, for example, those situations in which there has been a previously established practice of virtually automatic extension to all groups of employes. This problem should have the board's prompt consideration.

In making these points I have assumed that the board will continue to operate as a tri-partite body, consisting of representatives of the public, of labor and of management. This joint approach is the best way I know to assure a wage policy that will be equitable to all segments of our economy.

I am sending copies of this letter to all members of the board in the expectation that they will participate fully in this program. Failure of any group to cooperate could bring disastrous consequences to our stabilization program and to our country.

In this emergency, when the entire free world looks to America for positive leadership, we need to have labor, management and all other groups pulling together as a working team.

# Non-Operating Rail Brotherhoods Win 12½ Cents Wage Increase

Washington.—The 15 nonoperating railroad brotherhoods won a wage increase of 12½ cents an hour retroactive to Feb. 1, 1951, plus a cost-of-living adjustment every 3 months.

The first of the cost-of-living adjustments is due April 1 and is expected to add 4 or 5 cents an hour.

In gaining the settlement in White House conferences, the non-ops broke the railroads' resistance to any retroactive settlement and the carriers' insistence on a 3-year moratorium on rules changes.

The railroads estimated that the more than 1,000,000 workers represented by the brotherhoods would receive more than $280 million annually in higher wages.

Railway Labor Executives Association President George E. Leighty said that the agreement was signed and sealed by the brotherhoods' negotiators and no further ratification was necessary.

There was no progress toward the settlement of the operating brotherhoods' 2-year-old dispute. A Senate subcommittee continued hearings in an investigation into this case.

# N. Carolina Asks Locals Affiliate

Salisbury, N. C.—James W. Lazenby, secretary-treasurer North Carolina State Federation of Labor, appealed to "all local unions affiliated with the AFL and not affiliated with the North Carolina State Federation of Labor to affiliate with this great organization and help us to fight the bitter battle ahead of us for the good of the working men and women of this state."

Mr. Lazenby pointed to the AFL News Service report that the New Jersey State Federation of Labor gained a record-breaking affiliation of 111 local unions in 5 months as an example to follow.

"If they could do that in New Jersey," Mr. Lazenby asked, "why can't we do it in North Carolina?

"We can," he said, "if every member of organized labor affiliated with the State Federation of Labor will appoint himself a committee of one to contact the members of the non-affiliated local unions and emphasize to them the importance of their affiliation."

The AFL conventions have repeatedly urged all local unions to affiliate directly with their state federations and central city bodies.

The 1950 convention at Houston pointed out that only strong state and city central groups can work for united, effective, good local government and improved standards of living.

# 7 House Members Trade Unionists

Washington.—At least 7 members of the House of Representatives of the 82d Congress are trade union members and were leaders in their organizations. They are:

**John Butler** (R., N. Y.), officer the Longshoremen's and grain elevator unions.

**John Fogarty** (D., R. I.), president of Bricklayers' Local No. 1 of Rhode Island.

**Leonard Irving** (D., Mo.), president and business agent of the Construction and General Laborers Local No. 264.

**George Rhodes** (D., Pa.), president and business agent of the Central Labor Union in Reading and vice president Pennsylvania Federation of Labor.

**Jack Shelley** (D., Calif.), former president of the California Federation of Labor.

**Roy Wier** (D., Minn.), representative of the Trades and Labor Assembly of Minneapolis and member AFL International Alliance of Theatrical Stage Employes.

**Gardner Withrow** (R., Wis.), state legislative representative for the Railroad Brotherhoods.

# United Labor Quits 'Advisory' Posts to Warn Public

## Says Plain People Bear Whole Price, Rent, Tax Burden

Washington.—Following is the text of the statement of the United Labor Policy Committee withdrawing all representatives from Big Business' Defense Mobilization Administration:

The United Labor Policy Committee decided unanimously (Feb. 28) that all labor representatives of our respective organizations serving on existing defense mobilization agencies shall resign immediately.

We fully realize the gravity of this decision. It was arrived at only after exhaustive exploration of all the facts and after almost continuous conferences with the leaders of our government and of the defense program during the past 2 weeks.

We have come to the conclusion that in no other way can we effectively impress upon the American people the great wrongs being perpetrated against them.

On Feb. 16 we announced that we had become thoroughly disillusioned with the conduct of the defense mobilization program. We made the deliberate charge that big business was dominating the program, that the interests of the plain people of this country were being ignored and that the basic principle of equality of sacrifice in the national effort to protect freedom against communist aggression had been abandoned.

Since then we have spelled out our indictment in detail to the President of the United States and to the heads of agencies under him. We have talked and we have listened. After full and complete exchanges of information, our original convictions have been more than confirmed.

We are today confronted with a price order which amounts to legalized robbery of every American consumer, together with a wage order which denies justice and fair play to every American who works for wages. The door has been slammed in our faces on the vital problem of manpower, which directly affects the workers we represent. We are offered the lame excuse that on other important policies the decisions must be made by a Congress which is not cooperating with the administration. There has been no affirmative action to meet our basic position—that equality of sacrifice must be the guiding and indispensable principle in the defense program in order to obtain full cooperation and maximum results.

We have also arrived at the inescapable conclusion that such representation which already has been accorded to labor in defense agencies and such further representation as is now offered are merely for the purpose of window dressing. There is absolutely no desire on the part of Mobilization Director Charles E. Wilson to give labor a real voice in the formulation of defense policy.

Under these circumstances, we have decided that to continue to serve on defense agencies would bring about no constructive results and would merely delude the public and the wage earners we represent into believing that labor acquiesces in what is being done.

In the interests of our country and the cause of international peace and freedom to which it is committed, we stand ready to meet with responsible representatives of our government to continue to seek a remedy for the insupportable conditions facing us.

### WAGES

The Director of Economic Stabilization has signed a wage order which we know to be unfair, unworkable and unjust. Wages and salaries of all Americans are now bound under the most rigid controls in the history of our country.

Wage Order No. 6 has been given the force of law by Mr. Eric Johnston's signature. Yet, even as he did so, he admitted that this order requires fundamental revision and improvement to correct some of the grave inequities apparent on its face.

Mr. Johnston's suggestions for correcting these grave injustices are inadequate. They do not meet the needs of American workers. Mr. Johnston's recommendations freeze injustice by denying less privileged workers the right to obtain through collective bargaining the benefits enjoyed in substantial segments of industry.

Labor's representatives cannot in good conscience return to the Wage Stabilization Board which voted Order No. 6, nor can we acquiesce in the unfair wage policy enunciated by Mr. Johnston.

We have, however, publicly stated, and we now reiterate, that we are prepared to participate in a reconstituted tripartite wage stabilization and disputes board which would administer a fair and equitable wage policy.

### PRICES

While wages and salaries are being brought under strict control the price freeze has been revoked. The Price Stabilization Administrator, with the full approval of the Director of Economic Stabilization, has issued a price order under which 200,000 stores will establish their own price ceilings on the basis of their own bookkeeping and on the basis of their past margin of profit on each item sold.

By officially validating the margin of profit in effect on Feb. 24, the order legalizes every illegal price mark-up since the Jan. 25 freeze order. Higher and higher prices are built into the price formula by its reliance on margin of profit for computing the legal price.

For example, the wholesale cost of a workshirt to the retailer was $2 and has now gone to $2.50. The retailer's price to the consumer was $3. Under the price order, the new ceiling price will be $3.75. In other words, an extra 25 cents of profit not reflected by cost has been added by the retailer with official sanction.

No customer will be able to check whether the retailer is selling his product at a price based on the regulation. There will be no such thing as a dollar-and-cent price ceiling for any commodity, except the price which the retailer sets. There will be no posting of ceiling prices. Enforcement is obviously impossible, even if it were intended.

At a time when fixed formulas are being applied to wages, business is being allowed to write its own ceiling prices. Wages are frozen. Nothing else in the economy has been frozen."

## Call Price Order Legalized Robbery

Washington.—The price order guaranteeing present margins of profit issued by Price Stabilization Director Michael V. DiSalle is "legalized robbery of every American consumer."

The United Labor Policy Committee said of the order dated Feb. 28:

"While wages and salaries are being brought under strict control the price freeze has been revoked. The Price Stabilization Administrator, with the full approval of the Director of Economic Stabilization, has issued a price order under which 200,000 stores will establish their own price ceilings on the basis of their own bookkeeping and on the basis of their past margin of profit on each item sold.

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"Enforcement is obviously impossible, even if it were intended.

"At a time when fixed formulas are being applied to wages, business is being allowed to write its own ceiling prices. Wages are frozen. Nothing else in the economy has been frozen."

### MANPOWER

During the past 2 weeks we have been unable to achieve an iota of progress toward the establishment of administrative machinery and policies on manpower that would most effectively help the nation's defense effort.

Control of manpower was seized several weeks ago by Mr. Charles E. Wilson and centralized in his already-powerful Office of Defense Mobilization, without ever discussing the matter with his labor advisory committee. Both by correspondence and by several hours of discussion we have sought to show Mr. Wilson that manpower policies would best be formulated in the Department of Labor. We pointed out that a labor-management committee in the Department of Labor had been functioning harmoniously and satisfactorily on manpower problems until its effectiveness was arbitrarily and suddenly ended by Mr. Wilson's action.

Speaking for millions of wage earners who will be most directly affected as our manpower problems increase, we asked Mr. Wilson to reconsider that decision. He refused flatly and finally, and without attempting to offer any logical reasons for his refusal.

The United Labor Policy Committee is deeply concerned by Mr. Wilson's arrogant seizure of control over manpower and by his equally arrogant refusal to give more than the most superficial consideration to our plea for reversal of his action. So long as the control of manpower rests in the Office of Defense Mobilization, no American wage or salary earner may feel safe that the big business clique in control of that agency may not suddenly seek to achieve a compulsory draft of the nation's workers. Such an action, under big business control and supervision, would endanger our traditional concepts of free labor and voluntary cooperation. We do not believe that free Americans want civilian labor to be conscripted.

### LABOR PARTICIPATION AT ODM

Our conferences and correspondence with Charles E. Wilson have demonstrated that he has little understanding of the needs of the plain folks throghout America. Mr. Wilson has clearly failed to recognize that voluntary cooperation among the various groups in our population has always been attainable in times of national emergency, and that such cooperation has been a foundation of our national strength. To the contrary, Mr. Wilson has demonstrated time and again

## Noting Gravity of Decision, Leaders Find No Other Way to Alert American People To 'Great Wrongs' Done Them

Washington. — The United Labor Policy Committee voted unanimously to withdraw all representatives of 15 million workers from the defense mobilization agencies.

"We fully realize the gravity of this decision," the committee said. "In no other way can we effectively impress upon the American people the great wrongs being perpetrated against them.

"Two weeks ago the United Labor Policy Committee voiced alarm over the crisis in our defense program. The crisis has not lessened; it has become more acute.

"The road is greased for higher prices.

"The present wage formula will act like a vise on the aspirations of Americans for decent living standards and equality of sacrifice in the defense effort.

"Rents are climbing steadily upwards while effective rent control legislation lags in Congress.

"An unbalanced tax program, which would place its heaviest burdens on the lower income groups, is in the process of enactment.

"Nowhere in the defense mobilization program is there evidence of enlightened and militant leadership to meet these problems, act upon them, and help the country develop the strength necessary to meet the threat of communist aggression.

"We of the United Labor Policy Committee have voiced these criticisms not to impair our defense program, but to improve it. We seek, actively and earnestly, an effective mobilization program which is imperatively required for the defense of our free institutions and of our great democratic traditions.

"We shall continue, with all the strength and persuasion at our command, to work toward our goal: the preservation of human liberty throughout the democratic world. We believe that in that American effort the aims and aspirations of free labor—which has never faltered in its opposition to communist aggression—can play a major, constructive part."

Point by point, the committee listed the failures of the administration, Congress and Defense Mobilization Czar Charles E. Wilson to deal with this crisis facing all Americans. In brief, they are:

WAGES—The Director of Economic Stabilization has signed a wage order which we know to be unfair, unworkable and unjust. Wages and salaries of all Americans are now bound under the most rigid controls in the history of our country. We are prepared to participate in a reconstituted tripartite wage stabilization and disputes board which would administer a fair and equitable wage policy.

PRICES—While wages and salaries are being brought under strict control the price freeze has been revoked. At a time when fixed formulas are being applied to wages, business is being allowed to write its own ceiling prices. Wages are frozen. Nothing else in the economy has been frozen.

MANPOWER—So long as the control of manpower rests in the Office of Defense Mobilization which serves wage or salary earner may feel safe that the big business clique in control of that agency may not suddenly seek to achieve a compulsory draft of the nation's workers.

LABOR PARTICIPATION AT ODM—To give voice to the needs of the public, including all workers—on whom our defense production depends—we have asked Mr. Wilson for an opportunity for labor to participate at the top policy level of the ODM. Mr. Wilson has made it clear by his actions that he wants no such broadening of the ODM structure. He does not want suggestions or advice from outside the ranks of big business. It is amply clear to the United Labor Policy Committee that that he considers the mobilization program his private preserve, in which he may order directives and ukases without consideration of the public need or the public wishes.

But our America is not a private corporation. Authority in our America does not flow down from the "front office"—it rises from the great common sense and deep patriotism of all the people. The Office of Defense Mobilization, however, is staffed at its top level exclusively with men from the executive offices of big business.

To give voice to the needs of the public, including all workers—on whom our defense production depends—we have asked Mr. Wilson for an opportunity for labor to participate at the top policy level of the ODM. That request was not voiced merely in order to provide a job for a leader of labor. It was advanced in the hope that labor's experience, skill and viewpoint could help to advance the interests of the total defense effort.

Mr. Wilson has made it clear by his actions that he wants no such broadening of the ODM structure. He does not want suggestions or advice from outside the ranks of big business. It is amply clear to the United Labor Policy Committee that Mr. Wilson does not want labor participation in the mobilization program; he now would accept window dressing, supplied by labor, to cover the back-room activities of the leaders of industry who staff the ODM. He will get no such window dressing from the men and women of American labor. Under these circumstances, his belated offer to appoint a man from labor on his staff is meaningless.

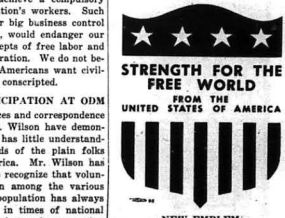
### CONCLUSION

Two weeks ago, the United Labor Policy Committee voiced alarm over the crisis in our defense program. The crisis has not lessened; it has become more acute.

The road is greased for higher prices. The present wage formula will act like a vise on the aspirations of Americans for decent living standards and equality of sacrifice in the defense effort. Rents are climbing steadily upwards while effective rent control legislation lags in Congress. An unbalanced tax program, which would place its heaviest burdens on the lower income groups, is in the process of enactment. Nowhere in the defense mobilization program is there evidence of enlightened and militant leadership to meet these problems, act upon them, and help the country develop the strength necessary to meet the threat of communist aggression.

We of the United Labor Policy Committee have voiced these criticisms not to impair our defense program, but to improve it. We seek, actively and earnestly, an effective mobilization program which is imperatively required for the defense of our free institutions and of our great democratic traditions.

We shall continue, with all the strength and persuasion at our command, to work toward our goal: the preservation of human liberty throughout the democratic world. We believe that in that American effort the aims and aspirations of free labor—which has never faltered in its opposition to communist aggression—can play a major, constructive part.




**NEW EMBLEM**

**Washington.—This new insignia is being stamped on all Economic Cooperation Administration shipments to Marshall Plan countries.**

GORMAN HONORED.—New York.—AFL President William Green (left) presents to Patrick E. Gorman, secretary-treasurer AFL Amalgamated Meat Cutters and Butcher Workmen, the "Torch of Hope" in appreciation of his services to his union, the labor movement and the welfare of his country. Presentation took place at testimonial dinner to Mr. Gorman when a check for $50,000 was presented to Los Angeles Sanatorium "City of Hope," in name of Butcher Workmen's union.

# Gorman Presents Meat Cutters Check For $50,000 to 'City of Hope'

By ARNOLD BEICHMAN
New York Correspondent AFL News Service

New York.—Patrick E. Gorman, secretary-treasurer AFL Amalgamated Meat Cutters and Butcher Workmen, was honored Feb. 26 as an outstanding humanitarian by 1,400 trade union officials and industry representatives.

In the presence of AFL President William Green, who made the major address of the evening, Mr. Gorman was presented with the Torch of Hope, a distinguished national award.

Later, Mr. Gorman presented a check of $50,000 raised by the union to build a hospital wing at the City of Hope, the nonsectarian medical center in California, which American trade unionists have helped build for the benefit of ailing workers.

"I think the greatest testimonial that can be paid to my friend, Pat Gorman," Mr. Green said, "is a very fact that his friends decided the most appropriate way to pay tribute to him would be to make an outstanding contribution to the cause of charity."

Discussing the aims of trade unionism, President Green said:

"It is our mission to prevent exploitation of the plain people, either by the forces of private greed or the forces of totalitarian dictatorship. It is our function to fight for constant betterment of economic, social and political conditions not only for our own members but for all the American people—not by taking advantages away from one to give to another but by equitable distribution of the expanding product of our dynamic economy."

Mr. Gorman announced that the $50,000 check would go to build a butchers' pavilion at the City of Hope, for workers who become ill of tuberculosis or cancer of the lung. All treatment is free.

"Labor in America," he said, "is not concerned solely with wages, hours and working conditions. Of course, we have fought and will continue to fight for a continually rising standard of living for our members. But in addition to that, labor recognizes its responsibility to the community. That is why we support wholeheartedly every humanitarian endeavor in the nation and—for that matter—throughout the world."

### BACKS SCHOOL WEEK

San Francisco.—Secretary-Treasurer C. J. Haggerty of the California State Federation of Labor, member of the University of California board of regents, urged full labor cooperation in the annual observance of national Public Schools Week April 23-27.

**Support the Red Cross Fund Drive generously!**

# Mark 97th Birthday Of Andy Furuseth

New York.—The 97th birthday anniversary of the late Andrew Furuseth, pioneer of the sailors' unions and fighter for legislative gains for the seafarers, was observed March 12.

Friends of Andrew Furuseth Legislative Association held its annual meeting. A commemorative program, featuring as speaker Einar Johansen, Norwegian Seamen's Union representative in the United States, was arranged on radio station WNYC.

Silas B. Axtell, long-time associate of the late Mr. Furuseth, announced the WNYC broadcast for 5 p.m. EST, March 12.

Willy J. Dorchain, U. S. representative International Transport Workers Federation, in a 1950 tribute to Mr. Furuseth, said that "we cannot permit the great sacrifices and struggles of Andrew Furuseth and thousands of true men of the seas to be fruitless."

In another 1950 tribute, Attorney Homer H. Bishop, Seminole, Okla., said:

"The personal sacrifice of Andrew Furuseth, with its resultant service to the seaman, the individual, the nation and the world is at once an inspiration and a challenge. The testimony of Silas Blake Axtell and others who worked with him strikes with terrific impact against all forms of oppression.

"It is well for us to pay tribute to him, who on March 12, 1854, was born in Norway. When the future historian comes to write the story of Andrew Furuseth he will find his character rising like a huge mountain above the level of average humanity, and he will be compelled to look upward toward the stars to catch its summit.

"For 14 years, as a sailor under the flags of 6 nations, he personally suffered the appalling mental and physical brutalities meted out to those who sailed the ships of the seas. Motivated by love for mankind and hatred of tyranny he resolved to strike the shackles of slavery from the sailors of the world. His resolution was transformed into action. We see him as he goes forward into this battle. A crusader of righteousness he entered the arena. Arrayed against him were the crimps, the organized shipowners and the minions of wealth and power. For 19 years, with unfailing courage, he presented the cause of the enslaved sailor to the Congress of the United States. Victory, freedom and reward were attained when on March 4, 1915, Woodrow Wilson, President of the United States, signed the Bill of Emancipation."

# Ask Raise For Postal Workers

Washington.—AFL Vice President W. C. Doherty, president AFL National Association of Letter Carriers, urged the Senate to raise the wages of postal workers 17 percent immediately.

Testifying before a subcommittee of the Senate Post Office and Civil Service Committee, Mr. Doherty said the rising cost of living in spite of so-called price controls made it necessary for a wage increase now.

"Our request for an upward wage adjustment at this time is a matter of simple fairness to the employes," he said. "I am also equally certain that letter carriers and other postal people are in need of immediate financial relief."

He said the pay increase would boost morale, which has fallen to its lowest level in the postal service, because of the inadequate wage schedule now in effect, the terrible working conditions in effect ordered by Postmaster General Jesse M. Donaldson last April, and the steady rise in the cost of living.

Mr. Doherty said that many experienced postal service employes are resigning to take better paying jobs in private industry, and that many others are cashing in or borrowing on their insurance policies to make ends meet.

He asked passage of Senate Bill 355 which would eliminate four lower grades for letter carriers and establish five automatic salary grades which with the raise would be: 1. $3,-825; 2. $3,942; 3. $4,059; 4. $4,176; 5. $4,293. The present Grade 1 scale is $2,670 a year.

Mr. Doherty said the annual cost to the government would be $300 million, or less than the $312 million recently given to the railroads for so-called "back pay" for hauling the mails from 1947 to 1950.

He also punctured the "postal deficit" bugaboo as an argument against pay raises for letter carriers.

"If Congress wants the postal service to be a business for profit, it would have to legislate in firm, unequivocal terms," he said. He said that would mean elimination of 39,000 of the 41,000 offices in the country because they are too small to earn a profit.

He pointed out that such government departments as Agriculture, Commerce, Interior, Labor have extractives above income running as high as $667 million for Interior, but that is never used as an argument against rendering service by the Interior Department.

# Chicago Leaders Support WSB Stand

By DAN SMYTH
Chicago Correspondent AFL News Service

Chicago. — The walkout of labor members from the National Wage Stabilization Board was indorsed by representatives of more than 30 international unions at a one-day Institute on Wage Stabilization and Collective Bargaining sponsored by Roosevelt College.

The institute consisted of discussion sessions and addresses by Ewan Clague, commissioner Bureau of Labor Statistics Thomas O'Malley, acting regional director of the WSB; Prof. Maynard C. Krueger of the University of Chicago; Daniel D. Carmell, attorney for the Illinois State Federation of Labor, and Leon M. Despres, Chicago labor attorney.

Union leaders who attended sent a telegram to the WSB labor members assuring them of support in their walkout from the board over the unfair wage formula and other issues.

Mr. Clague said higher taxes and greater personal expenditures for defense bonds are necessary to stop inflation. He said the defense program should cause only a slight temporary reduction in the American standard of living, provided there is no all-out world war.

## CO-OP REPORT

Akron, Ohio.—"The most encouraging report on projects in our 3-year history" was the verdict of delegates to the winter meeting of the National Council for Cooperative Development.

The council is the joint labor and cooperative planning and promotional body in the field of consumer services. The meeting learned that 10 international unions of AFL and CIO affiliation and 4 regional and national consumer cooperative organizations are members currently.

Sessions were conducted by Arnold Zander, president AFL State, County and Municipal Employes, who is also chairman of the national AFL co-op committee.

# Postal Inspector Charges Donaldson Mismanagement

Washington.—James J. Doran, former chief inspector U. S. Post Office Department, charges present postal officials with mismanagement and cited figures to show how the postal deficit can be cut by millions of dollars.

His charges were published by "The Postal Record," monthly publication of the AFL National Association of Letter Carriers, as President Truman asked Congress to increase postal rates on first, second, third, fourth-class mail and special services.

Mr. Truman said the productivity of postal workers had increased by 10 percent since the end of World War II. He asked that rates on newspapers be doubled, which would hit most labor publications.

Mr. Doran said that $45 million could be saved yearly in the handling of first-class mail alone.

A former director of budget and administrative planning for the Post Office Department, Mr. Doran expressed opposition to the mail service tailment in effect since last April and quoted the department's own figures to show how savings could be effected without reducing service or raising rates.

He cited a Post Office Department report dated March 15, 1950, on operating costs of the 20 largest post offices. On first-class (letter) mail alone, costs of the most expensive office were 133 percent higher than in the one operated most economically. Average costs for all 20 offices were almost double those for the one with the best record.

"Just imagine spending $5 for a piece of work in one office and getting that same piece of work done in another for $2.75," the ex-postal official commented. Mr. Doran said that he called this fact to the attention of "the present postal management," but no action has been taken.

# Fire Donaldson To Save Postal Service Urged

Washington.—The President of the United States should immediately seek a competent administrator to head the Post Office Department.

Frank X. Martel, president Detroit and Wayne County Federation of Labor, made that suggestion in a special front-page article in the Detroit Labor News.

Never in the history of the Post Office Department has any Postmaster General put into effect as many administrative policies that adversely affected the welfare of the employes as Postmaster General Jesse Donaldson.

In long-delayed and less-frequent mail deliveries the general public is also suffering from Mr. Donaldson's actions, Mr. Martel pointed out among further observations.

The longer the change is delayed, the more difficult it will be for a competent man to bring order out of the present chaos.

Since his permanent appointment, he has yet to recommend a single constructive measure or one piece of legislation that would improve the lot of the employes. The justification for all of the backward steps taken by the Postmaster General, if any explanation has been attempted, has been based on the plea of economy.

Despite his high-handed actions toward the rank and file, the Postmaster General has been most generous in recommending increases for ranking departmental officials of the Post Office Department, and extremely generous in recommending increases for the American railroads. He rigorously fought a slight increase for World War II veterans and his record towards the employes has been a shocking one.

All in all, the various actions have resulted in little or no saving to the American taxpayers. They have, however, made the Post Office Department —once the pride of the government— the despair of the public and the postal employes.

It is ironic that the employes of an agency of government in a pro-labor administration should have to put up with the whims of an administrator whose sole response to the challenge of managing a big department is to issue orders that ruin the service and wreck the morale of the employes.

# Green Asks Earners Give All You Can To Red Cross Fund

Washington.—AFL President William Green urged American wage earners to give all they can—and more—to the Red Cross 1951 Fund campaign which opened March 1. Mr. Green said in part:

"The tremendous responsibility which the American Red Cross has accepted for service in the grave situation confronting up today is one that must be shared by all if it is to be truly effective.

"The sphere of activity of the Red Cross today is vast and important. It covers not only aid for our armed forces, but also for disaster victims, the maintenance of a blood bank which makes blood plasma available for injured men. The Red Cross training program includes instruction of 20 million persons in first aid; home nursing training to hundreds of thousands; instruction of 100 thousand additional nurses aids.

"I urge, therefore, that the wage earners of America give all they can —and then give some more—so that the activities of the American National Red Cross may be adequately financed for the protection of us all."

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